Independent Oversight
Inspection of
Classification and
Information Control
Programs at the

Chicago Office and
Argonne National Laboratory

September 2006

Office of Security and Safety
Performance Assurance

Office of Security Evaluations
Office of Independent Oversight
Office of Security and Safety Performance Assurance
Office of the Secretary of Energy

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Abbreviations Used in This Report

ANL   Argonne National Laboratory
CH   Office of Science Chicago Office
CIC   Classification and Information Control
DOE   U.S. Department of Energy
NNSA   National Nuclear Security Administration
OUO   Official Use Only
SC   DOE Office of Science
UCNI   Unclassified Controlled Nuclear Information

OVERSIGHT

1.0 Introduction

This report presents the results of inspection activities by the Office of Independent Oversight's Office of Security Evaluations in the area of classification and information control (CIC) at the Office of Science (SC) Chicago Office (CH), the Argonne Site Office, and the Argonne National Laboratory (ANL). In October 2005, the Office of Security Evaluations assumed responsibility for oversight of CIC activities throughout the U.S. Department of Energy (DOE)/National Nuclear Security Administration (NNSA) complex. Prior to October 2005, the Office of Classification and its predecessor organizations were responsible for the CIC oversight program. Because the Offices of Security Evaluations and Classification reside within the Office of Security and Safety Performance Assurance, this inspection activity was conducted by drawing upon the technical expertise of the Office of Classification and utilizing the inspection protocols honed over the years by the Office of Independent Oversight. To ensure a thorough evaluation, the subtopic areas of program administration, authorities, guidance, training, document reviews, and program evaluation were assessed. The data collection activities were conducted July 11 through 13, 2006.

CH provides business, technical, and administrative support to the SC Laboratory Site Offices and Headquarters elements. ANL is one of DOE's largest research centers and its missions include conducting basic scientific research; operating national scientific facilities; enhancing the nation's energy resources; developing better ways to manage environmental problems; and national security. Both organizations have small CIC programs.

The Office of Classification conducted the last oversight review of the CH and ANL CIC programs in December 1999. The review determined that CH was meeting applicable requirements in the program administration, authorities, document reviews, and program evaluation areas. However, CH had findings related to the use of outdated Headquarters guidance, inappropriate identification of guidance for contracts that generate classified matter, and guidance for work-for-others projects that was inconsistent with DOE guidance. ANL met applicable requirements in the program administration, authorities, training, and program evaluation areas, but had findings related to the use of outdated Headquarters guidance and improper declassification instructions on National Security Information documents. All CH and ANL findings were closed and validated.

2.0 Status and Results

Data collection activities involved interviews with management, classifiers, and other personnel associated with the CIC programs; evaluation of information (the data call) submitted in advance by CH and ANL; onsite reviews and assessments of documentation and procedures; and responses to inquiries during the inspection. Reviews were conducted of 580 documents selected from a cross-section of organizations that generate classified or Official Use Only (OUO) documents. In addition, 830 documents on the CH and ANL web pages and related websites were reviewed.

Program Administration

The classification, Unclassified Controlled Nuclear Information (UCNI), and OUO programs at CH are administered by a classification officer who does not receive any additional support. The CH classification officer, who spends about ten percent of his time on CH programs, also

serves as the classification officer for the Argonne Site Office, Brookhaven Site Office, and Pacific Northwest Site Office. The ANL classification officer is supported by a full-time administrative assistant and a part-time security consultant. With the support identified, the resources to administer the classification, UCNI, and OUO programs at CH and ANL are adequate.

CH administers its CIC programs in accordance with DOE Manual 475.1-1A, *Identifying Classified Information*, and does not issue local procedures. ANL has four locally issued procedures that implement classification and UCNI directives. One is a work-for-others approval procedure to ensure that proposals involving classified work receive the appropriate classification review, and another describes the types of information that may not be freely disseminated, such as classified information and UCNI. These procedures are consistent with DOE classification and UCNI directives. The other two procedures address the dissemination of scientific and technical information and publications. The DOE manual requires that documents or material that are prepared in potentially classified subject areas and intended for public release, or that have such widespread distribution that public release is likely, be submitted to the classification officer or a derivative classifier specified by the classification officer for review. The ANL procedures only require review by "a" derivative classifier rather than a "specified" derivative classifier. While the classification officer does have an informal system in place to ensure that he reviews such documents, and while this informal system, coupled with the small number of classified programs, results in ANL meeting the "spirit" of the manual, the ANL procedures do not prevent the inadvertent exclusion of the classification officer from the review process. CH and ANL have no approved deviations to the requirements in the classification, UCNI, and OUO orders and manuals.

Authorities

CH has one original classifier (the classification officer), 11 Secret derivative classifiers, two derivative declassifiers, and one UCNI reviewing official (the classification officer). Questionnaires and interviews with the classification officer and derivative classifiers indicate that there are an adequate number of officials, and a review of the authority descriptions found that they contain all of the information required by DOE directives. Records indicate that all CH derivative classifiers successfully completed training and an

examination prior to being granted authority, and have successfully completed recertification training and an examination within three years. In addition, the classification officer conducts annual derivative classifier refresher training, which exceeds manual requirements. The classification officer is the only UCNI reviewing official and received training from the Headquarters Office of Classification.

ANL has 37 Secret derivative classifiers, 3 derivative declassifiers, and 4 UCNI reviewing officials. Questionnaires and interviews with the classification officer and derivative classifiers indicate there are an adequate number of officials, and a review of the authority descriptions found that they contain all of the information required by DOE directives. Records indicate that all ANL derivative classifiers and UCNI reviewing officials have successfully completed training and an examination prior to being granted authority, and have successfully completed recertification training and an examination within three years.

Guidance

The CH and ANL classification offices maintain reference libraries of guides used at their locations, and all guides in these libraries were up to date at the time of the inspection. All classified guides at ANL are stored and are used by the derivative classifiers in the classification office. Based on information obtained from questionnaires, interviews, and onsite reviews of guidance, CH and ANL derivative classifiers have access to appropriate guidance that is up to date. CH and ANL do not have any locally issued guides.

CH has ten contracts that generate classified information. The Contract Security Classification Specification forms for these contracts identify the guidance to be used, and the CH classification officer or the Classification Representative for the Headquarters Office of Intelligence certified the guidance as appropriate for the contracts.

ANL has eight contracts with the potential to generate classified information. The Contract Security Classification Specification forms for these contracts identify the guidance to be used, and the ANL classification officer certified the guidance as appropriate for the contracts.

ANL has 18 classified work-for-others projects (CH has none). All of the ANL projects were certified by the classification officer to have adequate guidance that does not contradict DOE policy.

Training

CH and ANL use the same initial classification training for all cleared personnel, which is incorporated in the comprehensive security briefing. The training is prepared and conducted by ANL under a memorandum of agreement approved in March 1998. Minor errors in the training material on classification were identified, but the material was consistent with DOE classification directive requirements. The annual classification refresher training at CH and ANL is incorporated in the Safeguards and Security Awareness Annual Refresher Briefing and the computerized Annual Security and Counterintelligence Refresher Briefing, respectively. The briefing material concerning classification was consistent with DOE classification directive requirements. Both CH and ANL use training material provided by the Headquarters Office of Classification to initially train derivative classifiers. The training material was consistent with DOE classification directive requirements, but needs to be updated to reflect recent Headquarters organizational changes. The CH and ANL classification officers will request an updated version of the training material from Headquarters before presenting the course again. ANL also uses this training material, along with an examination, to recertify the derivative classifiers. The CH classification officer uses performance-based testing (for example, a classification exercise based on a fictitious classification guide) to recertify the derivative classifiers.

Document Reviews

A review of 580 randomly selected documents from a cross-section of programs that generate classified and OUO information was conducted to determine whether the documents are correctly identified as classified, declassified, unclassified, UCNI, or OUO, and whether the markings and guidance used are in accordance with DOE requirements. CH has eight classified documents on hand that were generated since 2001. Because of the small number, all eight documents were reviewed and determined to be classified correctly. ANL has approximately 500 classified documents on hand that were generated since 2001. When large inventories of classified documents exist, a statistical sampling plan is used to determine which documents to review. The sampling plan for ANL requires a random sample of 50 documents to be reviewed and found to be classified correctly in order to be 95 percent confident that 99 percent of all documents are classified correctly. Because time was available, 90 documents were reviewed, and all were classified correctly. All of the OUO documents reviewed were correctly marked. CH and ANL did not have any declassified or UCNI documents on hand. Eight hundred and thirty documents on the CH and ANL web pages and related websites were also reviewed, and none were found to have been incorrectly identified as unclassified.

A document-marking discrepancy was found in the ANL Counterintelligence Office. All of the National Security Information documents generated since August 2005 had incorrect declassification instructions. This was determined to be the result of a change to CG-CI-1, DOE Classification Guide for Counterintelligence Information, which revised the declassification instructions. The latest revision was on hand and was cited on the documents; however, obsolete markings were still applied. Improper declassification instructions on a classified document could lead to documents being released prematurely or remaining classified beyond the time they need to be protected.

> **FINDING: 13JULY06-ANL-38-OA-IP.4-001: Declassification instructions on ANL National Security Information documents generated in the Counterintelligence Office are not applied correctly. [DOE Manual 475.1-1A, Ch. VI, Part B, Paragraph 4]**

Another part of document reviews is to evaluate the declassification program and resulting OpenNet entries. Whenever a group of documents to be reviewed for declassification for any reason exceeds 10,000 pages, the Director, Office of Classification, must be notified. In addition, documents that have been declassified and are publicly releasable must be entered on the OpenNet system to ensure public and researcher access. Neither CH nor ANL have any ongoing reviews that exceed 10,000 pages and foresee no such reviews in the future, and no documents have been declassified and made publicly releasable.

Program Evaluation

The CH and ANL classification officers conduct self-assessments in conjunction with the safeguards and security self-assessments and/or security surveys. The self-assessments cover the topical areas identified in DOE Manual 475.1-1A that are applicable. The CH classification officer is responsible for oversight of four

subordinate organizations—ANL, Brookhaven National Laboratory, Pacific Northwest National Laboratory, and the Pit Disassembly and Conversion Facility. He conducts oversight reviews of these subordinate organizations in conjunction with security surveys, assesses all areas required by DOE Manual 475.1-1A, and documents the reviews under the "Classification Guidance" subtopic of the security survey report. Any findings on classification are identified in the survey report and tracked in the Safeguards and Security Information Management System. ANL does not have any subordinate organizations that require oversight reviews.

CH and ANL have completed all corrective actions for findings identified in the Office of Classification oversight review conducted in December 1999.

CH generates about ten classified documents annually, most of which are destroyed after a short period of use. Most, if not all, of these documents are classified by the classification officer. An annual quality control review is not required because of the small number of documents generated. Approximately ten percent of all newly classified documents produced at ANL are reviewed by the classification officer as part of routine operations. In addition, the classification officer reviews a random sample of documents that have been published in areas that may be sensitive. The library selects ten documents each month and provides them to the classification officer quarterly for review. Because ANL has a small CIC program, the annual quality control review process is adequate.

3.0 Conclusions

The inspection of CIC at CH and ANL revealed an effective, well-managed program. A number of noteworthy accomplishments were identified during the inspection. For example, CH provides annual refresher training to the derivative classifiers, and CH and ANL have complete and well-organized libraries of the classification guides used at their sites by their derivative classifiers. No significant discrepancies were found at CH, and only one was found at ANL.

The one area identified during the inspection that requires improvement was in document reviews. All of the National Security Information documents reviewed in the ANL Counterintelligence Office that had been generated since August 2005 had incorrect declassification instructions. This could lead to documents being released prematurely or remaining classified beyond the time they need to be protected. While this deficiency warrants attention, the documents in question were being properly protected. Therefore, it does not substantially detract from the overall effectiveness of the CIC program at CH and ANL.

4.0 Rating

The CH and ANL CIC programs provide adequate assurance that applicable requirements are being met. Therefore, this topic is rated as **EFFECTIVE PERFORMANCE.**

5.0 Opportunities for Improvement

Opportunities for improvement were identified during this inspection. These potential enhancements are not intended to be prescriptive. Rather, they are intended to be reviewed and evaluated by the responsible DOE and contractor line management and modified as appropriate, in accordance with site-specific programmatic and safeguards and security objectives.

1. ANL should consider incorporating into local procedures the requirement for the classification officer or a specified derivative classifier to review documents prepared in a potentially classified subject area and intended for widespread dissemination or public release.

2. The ANL classification officer should consider conducting training for derivative classifiers in the Counterintelligence Office to ensure that they use the proper declassification instructions on National Security Information documents.

APPENDIX A
SUPPLEMENTAL INFORMATION

A.1   Dates of Review

Onsite Inspection   July 11 – 13, 2006
Report Validation and Closeout   July 26 – August 2, 2006

A.2   Inspection Team Composition

A.2.1 Management

Glenn S. Podonsky, Director, Office of Security and Safety Performance Assurance
Michael A. Kilpatrick, Deputy Director, Office of Security and Safety Performance Assurance
Bradley A. Peterson, Director, Office of Independent Oversight
Arnold E. Guevara, Director, Office of Security Evaluations

A.2.2 Quality Review Board

Michael A. Kilpatrick   William T. Sanders
Dean C. Hickman   Bradley A. Peterson

A.2.3 Inspection Team

Reece Edmonds, Team Leader
Cathy Maus
Pat Rhoderick

APPENDIX B
SITE-SPECIFIC FINDINGS

Table B-1. Site-Specific Findings Requiring Corrective Action Plans

Identifier	Issue Statement	Page
13JULY06-ANL-38-OA-IP.4-001	Declassification instructions on ANL National Security Information documents generated in the Counterintelligence Office are not applied correctly. [DOE Manual 475.1-1A, Ch. VI, Part B, Paragraph 4]	3